

I. BACKGROUND

The Community Development Block Grant (CDBG) Program is a federally-funded grant program designed to help communities with their greatest community development needs. **All CDBG projects must be designed to principally benefit low and moderate income families.** The program was established by the Federal Housing and Community Development Act of 1974 (42 USC 5301) and is administered nationally by the U.S. Department of Housing and Urban Development (HUD), whose website can be found at:

<http://www.hud.gov/offices/cpd/communitydevelopment/programs>

The CDBG Program is divided into two major categories:

1. The **Entitlement Communities CDBG Program** assists communities with 50,000 or larger populations. In Montana, only Billings, Great Falls, and Missoula are Entitlement Communities. They receive CDBG funds on a formula basis and are directly under HUD administration.
2. The **State CDBG Program** assists communities with populations under 50,000. Allocations are established for each state on the basis of a statutory formula.

In 1981, Congress amended the Federal Housing and Community Development Act to make the non-entitlement or “Small Cities” portion of the CDBG Program available as an optional State-administered program, the State CDBG Program. The Montana Legislature authorized the Montana Department of Commerce (MDOC) to administer the State CDBG Program beginning in 1982.

Since 1982, Montana has received over \$185 million in CDBG funds. Overall, the public and private funds invested in local CDBG projects have matched the federal funds awarded at almost a three to one ratio, making possible millions of dollars of construction activity and creating jobs for Montanans across the state.

The MDOC Community Development Division website includes a summary of all the applications submitted to and funded by both the CDBG program and the Treasure State Endowment (TSEP) Program since 1982. See the “Funding History” at:

http://comdev.mt.gov/CDD_CDBG_FH.asp

Additional information regarding the projects awarded CDBG funds from 1982 to 2009 is available from MDOC upon request (Phone: 406-841-2791). A summary of each of the Housing and Neighborhood Renewal projects awarded funds for federal fiscal year (FFY) 2009 CDBG funds is included in Appendix A.

See Chapter V and Appendix D for application instructions, requirements, procedures, and format for Housing and Neighborhood Renewal grant applications.